
Risk Management Working Group Update

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Agenda

- ☐ Attributes of maturity
- ☐ Risk management across industries
- ☐ Government intervention
- ☐ Next Steps
 - Complete cross-industry risk management analysis
 - Public-private sector benchmarking study
 - Socialize findings

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Attributes of Maturity

- Predictive risk management is enhanced when predicated upon past performance
- Mature risk management
 - Free market impacts competitiveness
 - Legal precedent provides foundation for qualitative nature of risk management
 - Highly actuarialized data; mature understanding of failure mechanisms and failure indicators
 - Proximity between actuaries, indicators, and decision-makers
- Immature risk management includes inverse attributes of maturity

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Risk Management Across Industries

- Across all industries, there exist examples of mature and immature risk management; some areas are becoming more mature over time
- Areas that lend themselves well to predictive analysis include:
 - Airline safety
 - Automobile insurance
- Areas that **do not** lend themselves well to predictive analysis include:
 - Natural events (e.g. weather, earthquakes, etc.)
 - Commodities
- Areas that are emerging from poorly predictive to more mature analysis include:
 - Network or infrastructure disruptions

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Next Steps

- ❑ Complete analysis of industry risk management
 - Maturity models; risk management methodologies
 - Spectrum of acceptable/unacceptable risk
 - Cross-sector risk management commonalities
 - Examples of government intervention in RM
- ❑ Complete benchmark against DHS risk management study
- ❑ Develop and socialize specific findings and recommendations within next 60 days

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Discussion

- ❑ Questions?

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